



**West Midlands  
Combined Authority**

## **WMCA Board**

<b>Date</b>	11 January 2019
<b>Report title</b>	Financial Monitoring Report 2018/19
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<b>Report to be / has been considered by</b>	WMCA Leadership Team - 19 December 2018 Programme Board – 21 December 2018

### **Recommendation(s) for action or decision:**

#### **The WMCA Board is recommended to:**

- (1) Note the financial position as at the end of November 2018.
- (2) Note the Business Rates Growth allocation to the Combined Authority for 2018/19.

## **1.0 Purpose**

- 1.1 To provide an update on West Midlands Combined Authority finances as at the end of November 2018 and outline the agreement reached on Business Rates Growth for 2018/19.

## **2.0 Background - Financial Monitoring**

- 2.1 A summary of the revenue and capital financial positions against the approved budget are attached at appendices 1-5. A summary of the Investment Programme along with current commitments is included in appendices 6 and 7 and the balance sheet position in appendix 8.
- 2.2 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority. The year to date position at the end of November shows a £1.034m (£0.863m Oct18) favourable variance from budget largely owing to revised delivery schedules for various work streams including the Productivity and Skills and the Health and Wellbeing portfolios as well as a favourable variance within the Transport delivery budget. Further details are provided in sections 3 and 4 below.
- 2.3 Following the second forecast of the year the full year position shows a favourable variance of £0.024m, this reflects a favourable movement of £0.074m.

## **3.0 Transport**

- 3.1 Appendix 2 sets out the position on the Transport revenue budget as at the end of November 2018, showing a favourable variance of £0.384m (£0.159m Oct 18) against budget to date. The full year forecast position shows an overall saving of £0.047m (£0.039m Oct).
- 3.2 The year to date position shows that expenditure on travel concessions is £1.021m (£0.897m Oct 18) under budget and the full year position shows a favourable variance of £1.721m (£1.718m Oct 18) due to lower bus patronage than budgeted. The majority of these savings will be used to fund the income foregone as a result of the (12 month) departure charge and roadside information holiday commencing from 1<sup>st</sup> Oct 2018 within Bus Services of £1.448m (£1.448m Oct 18) full year.
- 3.3 Other key variances in the year to date position are favourable variances within Tendering and Monitoring budget of £0.070m due to the timing of activity. Strategic development has a favourable variance to date of £0.081m which reflects some in year phasing on external advice activity, which has been re-profiled to later in the year. These services are broadly expected to be in line with budget by year end.
- 3.4 Areas of pressure incorporated into the full year position largely reflect lower rental income than anticipated for 16 Summer Lane (£0.101m) and upward pressures within various infrastructure budgets such as cleaning and maintenance contracts.
- 3.5 Further details are set out in appendix 2.

## **4.0 West Midlands Combined Authority Operational Budget**

- 4.1 Appendix 3 sets out the position on the West Midlands Combined Authority Operational budget as at the end of November 2018.

- 4.2 There is a favourable year to date variance of £0.650m (£0.704m Oct18) which is primarily as a result of revised delivery schedules for the Productivity and Skills and Health and Wellbeing portfolios.
- 4.3 The full year position shows a minor adverse variance from budget of £0.023m representing a favourable movement of £0.116m from that previously reported.

Within this position there are favourable variances within the Mental Health and Wellbeing portfolios totalling £0.267m where planned recruitment and support will not now take place in year.

These savings are offset by unbudgeted costs within the Environment portfolio of £0.141m and unbudgeted costs of £0.194m associated with the transition of the West Midlands Fire Service. Increased Corporate Support of £0.108m largely reflects recruitment and IT costs and lower rental income which are fully offset by additional investment income received in year due to favourable cash balances.

- 4.4 The key elements of the £0.650m favourable variance to date are as follows:

There is a favourable variance within Health and Wellbeing of £0.309m (£0.300m Oct18). This is largely due to vacant posts within the Mental Health team. The portfolio reflects revised delivery schedules for providing intensive mental health support for those with complex needs or who are homeless and supporting people with mental health as they prepare to leave prison.

There is a favourable variance against the Productivity and Skills budget of £0.226m (£0.187m Oct 18), with recruitment activity underway to support delivery of the portfolio's objectives over its 3 year planning period. The Employment Support Pilot is now being delivered and spend has been re-profiled across the 3 year programme to accommodate the revised delivery timetable. There is also a favourable variance on construction skills due to the rescheduling of construction training activities that will now take place later in the year. After an initial delay HS2 skills delivery is now also underway.

There is a favourable variance of £0.102m (£0.214m Oct18) within Corporate Support, primarily owing to the timing of marketing campaigns and events supporting activity across WMCA which are planned to take place later in the year.

## **5.0 Mayor's Office**

- 5.1 The Mayoral office full year forecast remains in line with budget, reflecting minor favourable variances on staffing costs.

## **6.0 Funding and Priorities**

- 6.1 WMCA's overall favourable year to date variance of £1.034m (£0.863m Oct 18) primarily comprises £0.650m (£0.704m Oct 18) within the Operational Budget and £0.384m (£0.159m Oct 18) relating to Transport Delivery. As activity within both the Transport and Operational budgets is expected to pick up pace in the final quarter of the year and it is currently anticipated that the consolidated full year position will be in line with annual budget.
- 6.2 The 2% pay award for 2018/19 has been accommodated within the revised full year position.

## 7.0 Transport Delivery Capital Programme

7.1 Appendix 5 sets out the position on the Capital Programme as at the end of November 2018. Overall there is a favourable variance of £41.4m (£33.6m Oct 18) against budget. This is primarily contained within the TfWM Investment Programme (£36.2m) and predominantly relates to Metro extension schemes.

There is a favourable variance on the Wednesbury to Brierley Hill Metro Extension (£12.0m) which reflects the re-phasing of early start activities within the project to accommodate the refresh of statutory powers and finalisation of the business case. In addition the Edgbaston Metro Extension (£5.8m) is under spent owing to a rescheduling of complimentary highway measures to combine works with Hagley Road Sprint scheme. Construction costs have been rescheduled following the decision to re-strengthen (rather than reconstruct) the canal bridge. The favourable variance on the Wolverhampton City Centre Metro Extension scheme (£4.5m) reflects re-profiling of the project to align with the Wolverhampton Interchange Programme station reconstruction works, and the purchase of the NCP Car Park (£0.8m) which is in progress, but will not conclude until late February or March 2019. Other favourable variances are attributable to the Metro Birmingham Eastside scheme which is below budget (£4.1m), as a result of the impacts of the delay in confirmation of the Transport & Works Act Order on the programme and re-profiling in response to ongoing design options appraisal. The Rail Investment Programme is £3.7m below budget, owing mainly to a deferral of Land acquisition with respect to local enhancements on the Walsall to Wolverhampton Rail scheme, and Camp Hill local rail enhancements. The Metro East Birmingham to Solihull Extension (£2.6m) due to a rescheduling of survey and modelling works, impacting on the submission of an application for a Transport & Works Act Order from December 2018 to June 2019.

7.2 The other Major Schemes Programme is underspent by £1.9m (£1.2m Oct 18) against budget, primarily due to Longbridge Connectivity Package (£1.7m). The planning application has been successful, however pre-construction ground investigation works is continuing, to assess the optimum foundations for the decked car park. As a consequence, the main construction of the decked car park has been rescheduled from September 2018 to Q4 2018/19.

7.3 The Minor Works programme shows a favourable variance of £1.9m (£1.7m Oct 18) to budget, spread across the wider Programme. The main underspends include Snow Hill 3<sup>rd</sup> Access (£0.8m), Clean Bus Technology Fund 2019-20 (£0.6m), Network Wide Bus Station Refurbishments (£0.4m), and the Managing Short Trips Programme (£0.1m).

7.4 Only the Snow Hill 3<sup>rd</sup> Access has an impact on Annual Forecast, owing to a delay in finalising the construction contract until assurances have been received from Network Rail around infrastructure, which were resolved in October 2018, allowing construction works to commence in January 2019.

7.5 The Annual Forecast shows a £58.1m (£53.9m Oct18) favourable movement against budget, primarily being a reflection of timing rather than project slippage. The main variance relates to Metro Wednesbury to Brierley Hill Metro Extension scheme (£22.6m), due to the re-phasing of early start activities within the project to accommodate the refresh of statutory powers, and finalisation of the business case. The transfer of the Network Rail corridor acquisition to WMCA which will allow initial site works to be progressed, has been agreed in principle allowing construction works to progress in 2019, with opening on schedule for 2023. In addition there is a favourable variance against the Birmingham Eastside Extension (£15.1m) due to the impacts of the delay in confirming the Transport & Works Act Order on the programme and re-profiling following further review of design options. The Edgbaston Metro Extension is also under spent (£4.7m) primarily as a result of the ongoing complementary highway works as identified previously, however the variance is not expected to influence the completion date for the scheme, which is on schedule to open in late 2021. The Rail Investment Programme (£4.5m) was reviewed in September 2018, and reduced following a re-profiling of land acquisition costs specific to the Walsall to Wolverhampton Local enhancements, and cost re-profiling of the Camp Hill Line. The East Birmingham to Solihull Metro Extension (£4.0m) reflects a reduction owing to ongoing modelling & survey work, resulting in a rescheduling of the Public consultation and the Transport & Works Order submission to late 2019, however this variance is not expected to influence the completion date for the scheme, which is on schedule to end of 2026.

7.6 Although there is only a minor under spend in 2018/19 (£0.9m), completion of the Wolverhampton City Centre Extension is now scheduled for the summer of 2020 due to the alignment with Wolverhampton Station works.

7.7 On the remaining schemes, the forecast changes represent re-profiling of commitments and have no adverse impact on the timescales for overall delivery of schemes.

7.8 Further details are set out in appendix 5.

## **8.0 Investment Programme**

8.1 The financial results for the Investment Programme run one month behind the regular management accounts due to the requirement to consolidate outputs across the Metropolitan area. The October results are shown in Appendix 6.

8.2 The year to date cash spend to October 2018 is £65m behind the initial forecast (£53m October 2018). For the full year 2018/19 the programmes are forecast to be £48m behind initial forecasts. Both the year-to-date and full year variances are primarily due to the Metro programme (for the full year being £39m). Offsetting the full year reprofile is an expected over spend regarding Land Reclamation (£8m), which relates to the timing of grant payments ahead of original assumptions, and Collective Investment Vehicle advances now forecast to be significantly ahead of original estimates (£16m).

8.3 The financial summary continues to highlight an increased forecast against the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions. An exercise is ongoing via the Metro Delivery Board to review and verify the costs to completion for the Metro Programme.

8.4 The cost to completion against UK Central Interchange remain red status due to the funding gap of c.£205m relating to the Birmingham International Station redevelopment project. Funding sources are being progressed by Solihull MBC/Urban Growth Company.

8.5 Appendix 7 details the commitments made against the Investment Programme which totalled £514m to the end of November 2018 (£511m October 2018) and therefore based on the sequencing of further business cases through the Assurance Process, the West Midlands Combined Authority expects to fully exhaust the buying power of the Devolution Deal Grant during 2019/20, having made ‘commitments to fund’ over £750 million of Investment Programme schemes which will be delivered over the next circa 8 years. In order to continue making commitments to fund schemes after this point, sustainable, long term revenue sources need to be identified to allow all the scheduled business cases to pass through the assurance process. Work was undertaken throughout autumn to agree a strategy with Leaders to identify viable solutions which consist of both income generation and cost avoidance / reduction. Regular updates against these strategies will continue to be provided to Investment Board and West Midlands Combined Authority Board throughout 2019/20.

### Business Rates Growth

8.6 Business Rates Growth is one of the four pillars of income which supports the borrowing necessary to fund the Investment Programme. The Combined Authority and Local Authority Finance Directors are working together to define and deliver a long term sustainable Business Rates Growth mechanism to fund the Investment Programme in light of the national changes to the business rates retention system from 2020/21. Initial conversations between Finance Directors, the Combined Authority and Central Government have already commenced in this regard.

8.7 Whilst a more permanent solution is being developed, local agreement has been provisionally obtained to a continuation of the existing formula which incrementally increases the amount due to the Combined Authority each year by £1.5 million. This is considered to be the most pragmatic solution and is fully supported by Finance Directors.

8.8 On this basis, the business rates share due to the Combined Authority for 2018/19 totals £4.5 million and will be shared across the Constituent Authorities pro-rata to the rateable value of each district, giving the following values:

Local Authority	2018/19 BR Growth Attributable to the Combined Authority
Birmingham	£1,953,450
Coventry	£543,150
Dudley	£406,350
Sandwell	£452,250
Solihull	£469,350
Walsall	£333,900
Wolverhampton	£341,550
Total	£4,500,000

## **9.0 Balance Sheet**

9.1 Appendix 8 presents The West Midlands Combined Authority Balance Sheet which shows a good financial position at the end of November 2018. Main changes reflect Transport for West Midlands capital spend and work-in-progress mainly funded by grants in advance, resulting in the increase in long-term assets.

9.2 The increase in debtors is largely due to the insurance prepayment and VAT due from HMRC. In contrast, the decrease in short term creditors is largely due to capital accruals for the various Metro extension schemes and HS2/UK Central.

9.3 The decrease in long-term liabilities and short-term deposits and cash is mainly due to cash outflows in respect of Metro extension schemes, settlement with Network Rail in respect of Bromsgrove Station and payment for the Collective Investment Fund portfolio.

## 10.0 Administered Funds

<b>Funding Stream</b>	<b>2018/19 Latest Forecast Grant Award £'000</b>	<b>2018/19 Spend to date £'000</b>	<b>Purpose</b>
Midlands Connect	9,230	5,281	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Housing First Pilot	9,600	-	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	490	-	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action. Sandwell MBC are in the process of transferring the funds to WMCA.
Highways Maintenance Block	13,112	13,112	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,618	15,678	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>50,050</b>	<b>34,071</b>	

## 11.0 Financial Implications

11.1 The Financial Implications are set out in the report.

## 12.0 Legal implications

12.1 There are no legal implications.

## 13.0 Equalities implications

13.1 There are no equalities implications.

## **14.0 Inclusive Growth Implications**

14.1 The WMCA budget includes implications of inclusive growth in the region.

## **15.0 Geographical Area of Report's Implications**

15.1 The report encompasses the West Midlands region.

## **16.0 Other Implications**

16.1 There are no other implications

## **17.0 Schedule of Background Papers**

- Appendix 1 – WMCA Consolidated Summary – November 2018
- Appendix 2 – WMCA Transport Revenue Summary - November 2018
- Appendix 3 – WMCA Operational Revenue Summary – November 2018
- Appendix 4 – WMCA Mayor Revenue Summary – November 2018
- Appendix 5 – WMCA Capital Transport Delivery Programme – November 2018
- Appendix 6 – WMCA Investment Programme Summary – October 2018
- Appendix 7 – WMCA Investment Programme Commitments – November 2018
- Appendix 8 – WMCA Balance Sheet – November 2018



## Appendix 1

### WMCA Consolidated Summary – November 2018

	November 2018 YEAR TO DATE			FULL YEAR 2018/19		
	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	FORECAST £'000	BUDGET £'000	VARIANCE £'000
<b>INCOME</b>						
1 - Transport Levy	76,480	76,480	0	114,720	114,720	0
2 - Devolution Deal grant (IP)	36,500	36,500	0	36,500	36,500	0
3a Devolution Deal grants - Operational	1,904	2,883	(979)	5,165	5,558	(393)
3b Devolution Deal grants - Mayoral	263	287	(24)	558	558	0
4 - Adult Education Funding	189	133	56	320	200	120
5 - Business rates growth	3,000	3,000	0	4,500	4,500	0
6 - Grants from Constituent members	3,096	3,096	0	4,644	4,644	0
7 - Grants from Non Constituent members	283	283	0	425	425	0
8 - Investment Income	665	329	336	1,492	494	998
9 - Use of Reserves	265	362	(97)	1,530	1,767	(237)
<b>Total income</b>	<b>122,645</b>	<b>123,353</b>	<b>(708)</b>	<b>169,854</b>	<b>169,366</b>	<b>488</b>
<b>EXPENDITURE</b>						
Operating expenditure:						
10 - Transport delivery	76,273	76,657	384	115,674	115,721	47
11 - Operational budget	5,406	7,008	1,602	11,608	11,822	214
12 - Investment Programme	1,055	2,370	1,315	3,096	4,659	1,563
13 - Mayoral Office	528	552	24	823	823	0
14 - Financing Costs	38,712	37,130	(1,582)	38,630	36,341	(2,289)
<b>Total expenditure</b>	<b>121,974</b>	<b>123,717</b>	<b>1,743</b>	<b>169,831</b>	<b>169,366</b>	<b>(465)</b>
<b>Net</b>	<b>671</b>	<b>(363)</b>	<b>1,035</b>	<b>23</b>	<b>0</b>	<b>23</b>
<b>Made up as follows:</b>						
Transport Delivery	208	(176)	384	46	0	46
Operational Budget	463	(187)	650	(23)	0	(23)
Investment Programme	0	0	0	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Net</b>	<b>671</b>	<b>(363)</b>	<b>1,034</b>	<b>23</b>	<b>0</b>	<b>23</b>

The year to date position at the end of November shows a favourable variance of £1.034m (£0.863m Oct18) against budget. This is largely due to the timing of recruitment and activity within the Transport Delivery and Operational budgets, where there are net favourable variances of £0.384m (£0.159m Oct18) and £0.650m (£0.704m Oct18) respectively.

The overall consolidated position shows a minor favourable movement in the full year position reflecting the expected increase in activity as we move through the year.

Within the Investment Programme (12) there is a favourable variance to date of £1.315m (£0.814m Oct 18) owing to planned borrowing not being necessary due to higher cash balances than anticipated, which also results in Investment Income (8) being higher than budget by £0.288m (£0.268m Oct18).

The variance against Financing Costs (14) is as a result of the Investment Programme savings detailed above being transferred to the Investment Programme reserve to meet the costs of future Investment Programme borrowing. This approach is consistent with the financial principles of the original Investment Programme financial model and effectively results in a neutral effect across the Investment Programme income and expenditure account.

## Appendix 2

### Transport for West Midlands 2018-19 year to date revenue position – November 2018

	ACTUAL NOV 18 £000	BUDGET NOV 18 £000	VARIANCE NOV 18 £000	FORECAST FULL YEAR 18-19 £000	BUDGET FULL YEAR 18-19 £000	VARIANCE FULL YEAR £000	
							As at the end of November there is a £0.384m favourable position in-year with a minor favourable position of £0.047m forecast for the full year. The majority of areas within the Revenue budget are currently showing minor variances which are close to their budgeted year to date profile and the full year forecast for these are also projected to be within a narrow margin to the full year budget. Headline explanations for the variances are set out below.
<b>TRANSPORT FOR WEST MIDLANDS</b>							
<b>INCOME</b>							
Specific resources:							
Transport Levy	76,480	76,480	( )	114,720	114,720		
<b>TOTAL INCOME</b>	<b>76,480</b>	<b>76,480</b>	<b>( )</b>	<b>114,720</b>	<b>114,720</b>		
<b>EXPENDITURE</b>							
<b>Concessions</b>							
National Bus Concession	33,813	34,823	1,010	50,537	52,244	1,708	In-year and full year forecast savings due to lower patronage than budgeted with Bus concessionary patronage continuing to reduce across operators. The majority of the saving will be used to fund the income foregone as a result of the agreed 12 month Departure charge and Roadside Information holiday commencing from 1 October 2018, with the remainder of the saving used to fund minor cost pressures across some service areas (mainly infrastructure related).
Metro / Rail	3,024	3,029	5	4,542	4,542	( )	
Child Concession	6,300	6,306	6	9,538	9,552	13	
	43,137	44,158	1,021	64,617	66,338	1,721	
<b>Bus Services</b>							
Bus Stations / Infrastructure	3,196	2,438	(758)	4,959	3,510	(1,448)	Full year adverse variance forecast due to the income foregone as a result of the agreed introduction of the 12 month Departure charge and Roadside Information holiday commencing from 1 October 2018. The income foregone from this will be funded from savings on Concessions.
Subsidised Network	5,607	5,610	3	8,522	8,498	(25)	
Tendering / Monitoring	398	468	70	674	683	9	Phasing in-year attributable to monitoring related activity with some of this reprofiled to take place later in the year.
Accessible Transport	4,836	4,839	3	7,259	7,261	2	
	14,037	13,355	(682)	21,414	19,952	(1,462)	
<b>Rail and Metro Services</b>							
Metro Services	995	1,027	32	1,558	1,560	3	
Rail Services	1,416	1,427	11	2,306	2,253	(53)	
	2,411	2,454	43	3,864	3,814	(50)	
<b>Integration</b>							
Safety and Security	427	399	(27)	653	614	(38)	
Passenger Information	3,360	3,357	(3)	5,210	5,195	(15)	
Sustainable Travel	142	166	24	248	253	5	
	3,929	3,921	(7)	6,111	6,063	(48)	
<b>Network Resilience</b>	562	543	(18)	844	831	(13)	
<b>Business Support Costs</b>	2,209	2,150	(59)	3,386	3,285	(101)	Main factor behind the in-year adverse and full year adverse forecast variance is due to a lower recovery against the 16 Summer Lane building income target
<b>Strategic Development</b>	1,360	1,440	81	2,249	2,240	(9)	£81,000 favourable in-year and projected £9,000 adverse against full year forecast. As previously reported this reflects some in-year phasing on External Advice activity with a re-profiling of it undertaken for it to take place in the remainder of the year.
<b>Elected Members</b>	174	178	4	267	271	3	
<b>Capital Finance Charges</b>	8,456	8,457	1	11,923	11,929	6	
<b>TOTAL EXPENDITURE</b>	<b>76,273</b>	<b>76,657</b>	<b>384</b>	<b>114,674</b>	<b>114,721</b>	<b>47</b>	
<b>NET</b>	<b>207</b>	<b>(176)</b>	<b>384</b>	<b>46</b>	<b>(1)</b>	<b>47</b>	

## Appendix 3

### West Midlands Combined Authority Operational Budget – November 2018

FINANCIAL SUMMARY AS AT NOVEMBER 2018	NOVEMBER 2018 YEAR TO DATE			FULL YEAR 2018/19			As at the end of November 2018, there is a favourable year to date variance of £650k within the Operational Budget. Following the second forecast of the year there is an adverse variance of £23k within the full year position. Key variances are explained below:
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Contribution - 7 Met Council's	3,096	3,096	0	4,644	4,644	0	Favourable variance due to positive cash balances
Non-Constituent Members	250	250	0	375	375	0	
Associate Members / Official Observers	33	33	0	50	50	0	
Investment Income	377	329	48	688	494	194	
<b>Total Income</b>	<b>3,756</b>	<b>3,708</b>	<b>48</b>	<b>5,757</b>	<b>5,563</b>	<b>194</b>	
<b>Economic Growth</b>							The favourable year to date variance within culture and tourism reflects a slow start to activity, which will take place by year end.
Mayoral Capacity Funding	231	285	(54)	354	388	(34)	Funding for growth largely reflects an in year and full year favourable variance due to a vacant senior policy advisor post.
Devo Office of Data Analytics	115	124	(9)	190	200	(10)	
<b>Total Income</b>	<b>346</b>	<b>409</b>	<b>(63)</b>	<b>544</b>	<b>588</b>	<b>(44)</b>	Industrial Strategy year to date and full year adverse variance is due to additional consultancy work being commissioned to support the local industrial strategy development.
Culture and Tourism Commission	0	(30)	30	(60)	(60)	0	
Funding for Growth	(552)	(587)	35	(786)	(880)	94	
Office of Data Analytics	(115)	(125)	10	(190)	(201)	11	
Black Country Economic Intelligence Unit	(146)	(160)	14	(240)	(240)	0	
Industrial Strategy	(255)	(215)	(40)	(430)	(308)	(122)	
Environmental	(36)	0	(36)	(141)	0	(141)	
<b>Total Expenditure</b>	<b>(1,104)</b>	<b>(1,117)</b>	<b>13</b>	<b>(1,847)</b>	<b>(1,689)</b>	<b>(158)</b>	Environment is a new unbudgeted area which shows a year to date and full year variance due to work being commissioned for air quality strategy and costs for an interim appointment of a resource to take the work of this portfolio forward.
<b>Economic Growth Net Total</b>	<b>(758)</b>	<b>(708)</b>	<b>(50)</b>	<b>(1,303)</b>	<b>(1,101)</b>	<b>(202)</b>	
<b>Public Services Reform</b>							Inclusive growth shows a favourable in year and full year variance reflecting a vacant lead economist post.
Revenue Contributions to / from Third Parties	7	67	(60)	7	100	(93)	
Mayoral Capacity Funding	34	67	(33)	100	100	0	
Third Party Income	160	0	160	160	0	160	
<b>Total Income</b>	<b>201</b>	<b>134</b>	<b>67</b>	<b>267</b>	<b>200</b>	<b>67</b>	
Public Sector Reform	(282)	(327)	45	(487)	(490)	3	
Inclusive growth	(44)	(133)	89	(110)	(200)	90	
5G Network	(160)	0	(160)	(160)	0	(160)	
WM Fire Service Transition	(48)	0	(48)	(194)	0	(194)	
<b>Total Expenditure</b>	<b>(534)</b>	<b>(460)</b>	<b>(74)</b>	<b>(951)</b>	<b>(690)</b>	<b>(261)</b>	Costs associated with the transition of the West Midlands fire service are unbudgeted but can be accommodated within the overall position.
<b>Public Service Reform Net Total</b>	<b>(333)</b>	<b>(326)</b>	<b>(7)</b>	<b>(684)</b>	<b>(490)</b>	<b>(194)</b>	
<b>Health &amp; Wellbeing</b>							The favourable in year variance reflects vacant posts within the Health and wellbeing team, as well as workstreams that are being commissioned later than planned.
Revenue Contributions to / from Third Parties	33	0	33	33	0	33	
<b>Total Income</b>	<b>33</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>33</b>	
Mental Health Commission	(65)	(290)	225	(253)	(435)	182	The full year position shows a favourable variance of £267k due to vacant posts and mental health and wellbeing activity which will not take place this financial year.
Well Being	(102)	(153)	51	(190)	(242)	52	
<b>Total Expenditure</b>	<b>(167)</b>	<b>(443)</b>	<b>276</b>	<b>(443)</b>	<b>(677)</b>	<b>234</b>	
<b>Health &amp; Wellbeing Net Total</b>	<b>(134)</b>	<b>(443)</b>	<b>309</b>	<b>(410)</b>	<b>(677)</b>	<b>267</b>	
<b>Housing &amp; Land</b>							Housing and Land shows a favourable variance due to vacant posts which are currently being recruited to in year.
Devolution Housing & Land	409	639	(230)	803	1,000	(197)	
<b>Total Income</b>	<b>409</b>	<b>639</b>	<b>(230)</b>	<b>803</b>	<b>1,000</b>	<b>(197)</b>	
Housing and Land Commission	(504)	(739)	235	(945)	(1,150)	205	The full year position has an adverse variance due to vacant posts.
<b>Total Expenditure</b>	<b>(504)</b>	<b>(739)</b>	<b>235</b>	<b>(945)</b>	<b>(1,150)</b>	<b>205</b>	
<b>Housing &amp; Land Net Total</b>	<b>(95)</b>	<b>(100)</b>	<b>5</b>	<b>(142)</b>	<b>(150)</b>	<b>8</b>	
<b>Skills &amp; Productivity</b>							The favourable in year variance reflects revised delivery timetables in respect of the portfolios key objectives including the Employment Support Pilot scheme and Construction skills.
Devolution Productivity & Skills	1,033	1,701	(668)	3,637	3,770	(133)	
Investment Programme Revenue funding contribution	21	0	21	78	0	78	
Devolution Productivity & Skills			0			0	
Adult Education Funding	189	133	56	320	200	120	
Devolution Productivity & Skills			0			0	
<b>Total Income</b>	<b>1,243</b>	<b>1,834</b>	<b>(591)</b>	<b>4,035</b>	<b>3,970</b>	<b>65</b>	
Productivity and Skills Commission	(291)	(531)	240	(464)	(464)	0	
Employment Support Pilot Skills	(155)	(596)	441	(780)	(1,829)	1,049	
HS2 Skills	(21)	(97)	76	(78)	(175)	97	
Gatsby Skills	(44)	(67)	23	(61)	(100)	39	
Construction Skills	(612)	(941)	329	(2,087)	(1,666)	(421)	
Adult Education	(190)	(119)	(71)	(299)	(179)	(120)	
Career Learning Pilot	(215)	0	(215)	(656)	0	(656)	
Digital Skills	(6)	0	(6)	(54)	0	(54)	
<b>Total Expenditure</b>	<b>(1,534)</b>	<b>(2,351)</b>	<b>817</b>	<b>(4,479)</b>	<b>(4,413)</b>	<b>(66)</b>	
<b>Skills &amp; Productivity Net Total</b>	<b>(291)</b>	<b>(517)</b>	<b>226</b>	<b>(444)</b>	<b>(443)</b>	<b>(1)</b>	
<b>Leadership</b>							
Revenue Contributions to / from Third Parties	41	0	41	41	0	41	
<b>Total Income</b>	<b>41</b>	<b>0</b>	<b>41</b>	<b>41</b>	<b>0</b>	<b>41</b>	
Leadership	(278)	(254)	(24)	(410)	(381)	(29)	
<b>Total Expenditure</b>	<b>(278)</b>	<b>(254)</b>	<b>(24)</b>	<b>(410)</b>	<b>(381)</b>	<b>(29)</b>	
<b>Leadership Net Total</b>	<b>(237)</b>	<b>(254)</b>	<b>17</b>	<b>(369)</b>	<b>(381)</b>	<b>12</b>	
<b>Corporate Support</b>							The favourable in year variances relates primarily to scheduling of communications spend relating to marketing campaigns, digital development and events which are anticipated to take place later in the year and a vacant post within support that will be recruited to later in the year. The full year adverse variance is primarily due to corporate services costs which comprise of rent, recruitment and ICT equipment.
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Programme, Policy and Support	(1,326)	(1,275)	(51)	(2,060)	(1,913)	(147)	
Communications	(118)	(271)	153	(367)	(407)	40	
<b>Total Expenditure</b>	<b>(1,444)</b>	<b>(1,546)</b>	<b>102</b>	<b>(2,427)</b>	<b>(2,320)</b>	<b>(107)</b>	
<b>Corporate Support Net Total</b>	<b>(1,444)</b>	<b>(1,546)</b>	<b>102</b>	<b>(2,427)</b>	<b>(2,320)</b>	<b>(107)</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>(3,292)</b>	<b>(3,894)</b>	<b>602</b>	<b>(5,779)</b>	<b>(5,562)</b>	<b>(217)</b>	
<b>NET RETURN</b>	<b>464</b>	<b>(186)</b>	<b>650</b>	<b>(22)</b>	<b>1</b>	<b>(23)</b>	
Devolution grants	(1,904)	(2,883)	979	(5,165)	(5,558)	393	
AEB Funding	(189)	(133)	(56)	(320)	(200)	(120)	
Use of reserves	0	(97)	97	(265)	(502)	237	
<b>NET RETURN PRESENTED IN CONSOLIDATED SUMMARY</b>	<b>(1,629)</b>	<b>(3,299)</b>	<b>1,670</b>	<b>(5,772)</b>	<b>(6,259)</b>	<b>487</b>	

Appendix 4

West Midlands Combined Authority Mayoral Budget – November 2018

	NOVEMBER 2018 YEAR TO DATE			FULL YEAR 2018/19		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
<b>MAYORAL OFFICE</b>						
Other Grants	263	287	(24) 8%	558	558	0 0%
Use of Reserves	265	265	0 0%	265	265	0 0%
<b>TOTAL INCOME</b>	<b>528</b>	<b>552</b>	<b>(24) 4%</b>	<b>823</b>	<b>823</b>	<b>0 0%</b>
Staff Costs	(456)	(464)	8 2%	(667)	(692)	25 4%
Agency Staff	(1)	0	(1) 0%	(26)	0	(26) 0%
IT	(7)	(7)	0 0%	(10)	(10)	0 0%
Promotions, Information and Initiatives	(2)	0	(2) 0%	(1)	0	(1) 0%
Travel & Subsistence	(8)	(27)	19 70%	(38)	(40)	2 5%
Other	(1)	(1)	0 0%	(2)	(2)	0 0%
Indirect Recharges	(53)	(53)	0 0%	(79)	(79)	0 0%
<b>TOTAL EXPENDITURE</b>	<b>(528)</b>	<b>(552)</b>	<b>24 4%</b>	<b>(823)</b>	<b>(823)</b>	<b>0 0%</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>0 0%</b>	<b>0</b>	<b>0</b>	<b>0 0%</b>

As at the end of November 2018 the Mayoral budget has a favourable variance of £0.024m against budgeted expenditure, reflecting minor variances in staffing costs.

The full year position remains in line with budget.

## Appendix 5 West Midlands Combined Authority Transport Delivery Capital Programme – November 2018

Financial Summary Month Ending November	YEAR TO DATE			FULL YEAR 2018/19			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>TFWM Directly Delivered Investment Programme Schemes</b>							
<u>HS2 Connectivity Programme:</u>							<p><b>Year to Date Variances</b></p> <p>At the end of November 2018, actual expenditure was £36.2m (Oct £30.3m) lower than the budget with the overall variances relating to cost reprofiling. An explanation of the main variances is as follows:</p> <p>The favourable cashflow variance on the Metro Edgbaston Extension (£5.8m) is mostly due to re-profiling of activity plus some smaller savings due to complimentary highway measures not required for utility diversions, and Centenary Square (£1.3m) due to utility re-profiling, mitigated by the acceleration of works following the closure of Paradise Circus which will bring forward the completion date of the scheme.</p> <p>The favourable cashflow variance for the Wolverhampton City Centre (£4.5m) scheme accommodates changes within the programme plan that are intended to be recovered over the remaining life of the project as they are not on the critical path.</p> <p>The Metro Birmingham Eastside Extension (£4.1m) variance is reflective of design option reappraisal at the Delta Junction, Bull Street, rescheduling the preliminary design submission back to Q4 18/19 following a solution being agreed in November 2018.</p> <p>The Metro East Birmingham to Solihull Metro Extension (£2.6m) variance is reflective of ongoing surveys and modelling works, requiring the reprofiling of the Transport Works Order request from December 2018 to June 2019.</p> <p>The Metro Wednesbury to Brierley Hill Extension (£12.0m) reflects ongoing investigation work on retaining walls and structures and survey input data, impacting on preliminary design progression.</p> <p><b>The Annual Forecast Variances</b></p> <p>Changes have been made since April 2018 to the forecast out-turn which again relate to timing of expenditure rather than being indicative of project slippage. The overall reduction in November (£2.7m) is mainly contained within the Edgbaston Extension (£1.5m) and East Birmingham to Solihull Extension (£0.8m) explained below</p> <p>The main variances are as follows:</p> <p>The Edgbaston and Centenary Square Metro Extension forecasts have been reduced by £4.5m owing to the complimentary highway works and the 2018/19 impact of the Traffic Regulation Orders as detailed above.</p> <p>The Birmingham Eastside Extension (£15.1m) and East Birmingham to Solihull Extension forecast revisions (£4.0m) are representative of the full year effect of the cash flow variations to the end of November. In addition, within the Birmingham Eastside Extension, 3G Tram contract negotiations and award have been reprofiled to May 2019.</p> <p>The main variation within the Metro Wednesbury to Brierley Hill Extension (£22.6m) follows the Network rail corridor acquisition which has been reprofiled to December 2018 and rescheduling of survey input data impacting preliminary design progression.</p> <p>The variances against these Metro extensions represent re-profiling of commitments and have no adverse impact on the timescales for overall delivery.</p> <p>The Investment Programme (£4.5m) under spend is primarily due to reprofiling of Land acquisition on the Rail-Walsall to Wolverhampton Local Enhancements (£1.7m), and reprofiling of costs on the Rail-Camp Hill Line (£1.2m).</p>
Bilston Road Track Replacement Phase 2	(34)	(250)	216	(282)	(250)	(32)	
Sprint Network	(1,269)	(3,248)	1,979	(3,078)	(5,227)	2,149	
Investment Programme Rail Programme	(3,013)	(6,751)	3,738	(4,645)	(9,184)	4,539	
Metro Centenary Square Extension	(9,880)	(11,153)	1,273	(17,571)	(17,422)	(149)	
Metro Wolverhampton City Centre Extension	(8,810)	(13,286)	4,476	(12,721)	(13,593)	872	
Metro Edgbaston Extension	(7,375)	(13,209)	5,834	(12,625)	(17,289)	4,664	
<u>Other TFWM Investment Programme Schemes</u>							
Metro Birmingham Eastside Extension	(3,728)	(7,807)	4,079	(7,794)	(22,859)	15,065	
Metro East Birmingham to Solihull Extension	(6,078)	(8,700)	2,622	(9,252)	(13,273)	4,021	
Metro Wednesbury to Brierley Hill Extension	(7,124)	(19,081)	11,957	(11,956)	(34,510)	22,554	
<b>TOTAL TFWM INVESTMENT PROGRAMME</b>	<b>(47,311)</b>	<b>(83,485)</b>	<b>36,174</b>	<b>(79,924)</b>	<b>(133,607)</b>	<b>53,683</b>	
			4.3%			40%	
<b>TFWM Other Major Schemes</b>							
Regional Transport Coordination Centre (RTCC) development	(12)	(12)	0	(172)	(172)	0	<p>At the end of November 2018, there was an underspend of £1.9m (Oct £1.7m), the main variance being the Longbridge Connectivity Package. It was originally envisaged that construction of the Decked Car park at Longbridge would have commenced in September 2018, however further ground investigative work is continuing to assess whether piled foundations are required. Planning approval was concluded in November 2018, with the main construction rescheduled to commence in January 2019.</p> <p>The Annual Forecast is £2.3m below the Budget, primarily due to the rescheduling of the main construction works at Longbridge into Q4 18/19 and 19/20 as identified above. The CAV project is also below Budget, being cash-flow related following the decision to procure the Highway and Road Traffic control equipment towards the end of Q1 19/20. This has no impact on the delivery of the 2 year programme.</p>
Birmingham City Centre Metro Extension	1	0	1	(72)	0	(72)	
Bromsgrove Station	3	0	3	3	0	3	
Longbridge Connectivity Package	(77)	(1,795)	1,718	(1,810)	(3,557)	1,747	
Connected and Autonomous Vehicles	(151)	(331)	180	(468)	(1,100)	632	
<b>TOTAL TFWM INVESTMENT PROGRAMME</b>	<b>(236)</b>	<b>(2,138)</b>	<b>1,902</b>	<b>(2,519)</b>	<b>(4,829)</b>	<b>2,310</b>	
			89%			48%	
<b>TFWM Minor Works Programme</b>							
TFWM Minor Works Programme	(5,702)	(8,529)	2,827	(12,664)	(14,760)	2,096	<p>At the end of November 2018, there was an underspend of £2.8m (Oct £1.7m) against budget. The main variances relate to Snow Hill 3rd Access (£0.8m), the Clean Bus Technology Fund (£0.6m), Network Wide Bus Station Refurbishments (£0.4m), TBT Platinum RTI Equipment (£0.3m) and the construction of walking and cycling routes (£0.1m). Development funding for the University Station has been secured from Greater Birmingham &amp; Solihull LEP funding.</p> <p>The Annual Forecast is £2.1m (Oct £0.5m) below Budget, primarily reflective of the full year impact of construction rescheduling with regards to Snow Hill 3rd Access (£1.6m) reported in September. As indicated above, the Development funding for the University Station project has now been confirmed which will facilitate draw down against all of the costs.</p>
<b>TOTAL TFWM INVESTMENT PROGRAMME</b>	<b>(5,702)</b>	<b>(8,529)</b>	<b>2,827</b>	<b>(12,664)</b>	<b>(14,760)</b>	<b>2,096</b>	
			3.3%			1.4%	
<b>TFWM Administered Programme</b>							
TFWM Administered Programme	(627)	(1,136)	509	(3,130)	(3,141)	11	<p>The main variance relates to rescheduling of Transport Modelling Strategy (£0.2m). Mobilisation commenced in July 2018 with some reprofiling into the remaining quarters. There is also some minor re-profiling of National Productivity Investment Fund (NPIF) £0.2m expenditure into Q4 18/19.</p>
<b>TOTAL TFWM INVESTMENT PROGRAMME</b>	<b>(627)</b>	<b>(1,136)</b>	<b>509</b>	<b>(3,130)</b>	<b>(3,141)</b>	<b>11</b>	
			45%			0%	
<b>GRAND TOTAL TFWM CAPITAL PROGRAMME</b>	<b>(53,876)</b>	<b>(95,288)</b>	<b>41,412</b>	<b>(98,237)</b>	<b>(156,337)</b>	<b>58,100</b>	
			43%			37%	

## Appendix 6

### WMCA Investment Programme Financial Summary period ending 31<sup>st</sup> October 2018

	2018 / 2019 YEAR TO DATE			2018 / 2019 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD SPEND	2018/19 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COVENTRY UKC PLUS	3,239	18,206	14,967	42,051	25,514	16,537	12,588	25,514	617,103	655,204	655,204	0
SPRINT PROGRAMME	978	2,756	1,778	5,227	3,155	2,072	2,436	3,155	273,739	279,330	279,330	0
RAIL PROGRAMME	2,653	3,968	1,316	8,852	4,506	4,346	248	4,506	420,346	425,100	425,100	(0)
METRO	48,168	74,240	26,072	135,632	96,513	39,119	111,749	96,513	1,258,377	1,466,640	1,373,000	(93,640)
UK CENTRAL INFRASTRUCTURE	1,383	7,579	6,196	16,494	14,227	2,267	2,155	14,227	1,370,246	1,386,627	1,386,543	(84)
UK CENTRAL HS2 INTERCHANGE	3,458	8,119	4,661	12,718	10,019	2,699	3,947	10,019	590,450	604,416	604,612	196
HS2 PROGRAMME GOVERNANCE	147	139	(8)	239	249	(10)	619	249	2,170	3,038	3,032	(6)
CURZON STREET STATION MASTERPLAN	-	1,648	1,648	4,406	4,406	-	-	4,406	551,894	556,300	556,300	-
NATIONAL COLLEGE FOR HIGH SPEED RAIL	122	78	(44)	78	122	(44)	25,431	122	-	25,553	25,509	(44)
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	-	-	-	-	-	-	11,270	-	338,730	350,000	350,000	-
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>60,148</b>	<b>116,734</b>	<b>56,587</b>	<b>225,696</b>	<b>158,710</b>	<b>66,986</b>	<b>170,442</b>	<b>158,710</b>	<b>5,423,055</b>	<b>5,752,207</b>	<b>5,658,629</b>	<b>(93,579)</b>
COVENTRY CITY CENTRE REGENERATION	856	1,192	336	25,394	25,452	(58)	5,821	25,452	330,498	361,771	357,770	(4,001)
INNOVATION	262	-	(262)	5,000	2,447	2,553	25	2,447	192,528	195,000	50,000	(145,000)
LAND RECLAMATION AND REMEDIATION	231	8,105	7,874	20,000	28,072	(8,072)	84	28,072	171,845	200,000	200,000	(1)
COMMONWEALTH GAMES	-	-	-	-	-	-	-	-	25,000	25,000	25,000	-
EMPLOYMENT EDUCATION & SKILLS	-	-	-	2,000	308	1,692	-	308	19,692	20,000	20,000	(0)
COLLECTIVE INVESTMENT VEHICLE	6,637	6,637	0	20,000	35,523	(15,523)	20,306	35,523	944,170	999,999	1,000,000	1
DEVOLVED TRANSPORT INVESTMENT	-	-	-	-	-	-	-	-	1,299,000	1,299,000	1,299,000	-
EZ EXPANSION EXCLUDING CURZON	-	-	-	-	-	-	-	-	20,000	20,000	20,000	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>7,985</b>	<b>15,934</b>	<b>7,949</b>	<b>72,394</b>	<b>91,801</b>	<b>(19,408)</b>	<b>26,236</b>	<b>91,801</b>	<b>3,002,733</b>	<b>3,120,770</b>	<b>2,971,770</b>	<b>(149,000)</b>
<b>GRAND TOTAL</b>	<b>68,133</b>	<b>132,668</b>	<b>64,535</b>	<b>298,090</b>	<b>250,511</b>	<b>47,579</b>	<b>196,678</b>	<b>250,511</b>	<b>8,425,788</b>	<b>8,872,977</b>	<b>8,630,398</b>	<b>(242,579)</b>

The financial results for October 2018 are shown above.

In respect of full project costs to completion, the financial summary continues to highlight increased spend in the Metro programme regarding the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions. An exercise is ongoing via the Metro Delivery Board to review and verify the costs to completion for the Metro Programme and the results will be reported in due course. The increase in the Innovation spend relates to the inclusion of the 5G project (£5.0m funding from the Investment Programme and £145m from DCMS, LEPs and private sector). This new investment increases the value of the Investment Programme overall further bolstering the £8bn Devolution Deal commitment.

For 2018/19, the YTD spend to October is £64.5m behind budget. This includes the significant variances set out below:

- \* Metro programme underspend of £26.1m comprising- Edgbaston (£4.5m), Wolverhampton (£5.3m), Centenary Square (£1.5m), Birmingham Eastside (£3.0m), East Birmingham to Solihull (£2.9m) and Metro Wednesbury to Brierley Hill (£8.9m);
- \* Coventry UKC Plus programme is £15.0m behind budget including- Coventry Station Masterplan (£9.5m) and VLR (£4.5m);
- \* UK Central Infrastructure - £6.2m;
- \* UK Central Interchange - £4.7m.

The main reasons for the YTD underspends are covered in the full year commentary below.

The 2018/19 full year forecast underspend of £67.0m for the HS2 Growth Strategy relates primarily to the following projects:

- \* UKC HS2 Interchange (£2.7m) - delayed spend relating to the Birmingham International Station redevelopment project, FBC now scheduled for approval in 2020/21 and UGC's main focus is on the HS2 Hybrid Act changes;
- \* Brierley Hill Metro Extension (£22.0m) - the Network Rail corridor acquisition has been rescheduled to December 2018, in tandem with the Target Cost, leading to a re-profiling of detailed design into 2019/20;
- \* Birmingham Eastside Metro Extension (£11.1m) - the 3G Tram contract has gone out to tender, negotiations and contract award originally scheduled for February 2019 will now take place in May 2019;
- \* East Birmingham to Solihull Metro Extension (£2.8m) - reflects a reduction owing to ongoing modelling & survey work, resulting in a rescheduling of the public consultation and the Transport & Works Order submission into Q1 2019/20;
- \* Metro Edgbaston Extension (£2.8m) - primarily as a result of the ongoing complementary highway works;
- \* Coventry City Centre First (£10.0m) - primarily delay to Ring Road improvements as a result of revised plans to deliver City of Culture;
- \* Coventry VLR (£5.2m) - delayed vehicle development spend and Dudley retaining wall spend;
- \* Rail Programme (£4.3m) - due to refinement of timescales for delivery and corresponding phasing of expenditure
- \* Sprint Hagley Road (£2.0m) - delays in utilities work due to land acquisition.

The other major full year variance to forecast are:

- \* timing of spend regarding Land Reclamation (£8.1m) relating to the timing of grant payments given the pipeline approved in 2017/18 currently awaiting developments progressing and contracts to be prepared;
- \* Collective Investment Vehicle advances exceeding original estimate (by £15.5m).

The cost to completion against UK Central Interchange remains red due to the funding gap of c.£205m relating to the Birmingham International Station redevelopment project. Funding sources are being progressed by UGC.

## Appendix 7

### WMCA Investment Programme Commitment Profile November 2018

£m	Committed	2018 / 2019		2019 / 20				2020/21	2021/22	2022/23	2023/24	2024/25	Post 2025	TOTAL
		Q3	Q4	Q1	Q2	Q3	Q4							
UKC Interchange	29.8		0.2		175.3			141.7		10.0	41.0			398.0
UKC Infrastructure	26.9	2.5	2.7	2.0	1.5		2.2	43.7	33.3	76.3	96.9			288.0
Sprint Programme	4.1		23.5			10.0	48.9	34.8	60.6	30.7				212.7
Metro Programme	101.3													101.3
Rail Programme	5.2		2.4	0.5	34.7		1.0	21.1	16.4				104.8	186.1
City Centre First incl. CSMP	39.4		11.6											51.0
Coventry VLR	12.2						9.0	33.8						55.0
Coventry North	0.2						0.4		21.0					21.6
Coventry South	7.4			0.6	0.5		0.7	23.9	26.8		46.7		50.0	156.5
HS2 Programme Governance	0.7		2.3											3.0
Wednesbury Brierley Hill Metro				103.0										103.0
<b>SUB TOTAL INVESTMENT PROGRAMME</b>	<b>227.2</b>	<b>2.5</b>	<b>42.7</b>	<b>106.1</b>	<b>211.9</b>	<b>10.0</b>	<b>62.2</b>	<b>299.1</b>	<b>158.0</b>	<b>117.0</b>	<b>184.6</b>		<b>154.8</b>	<b>1576.2</b>
Coventry Regeneration	154.0													154.0
Land Remediation	103.0									97.0				200.0
Business Innovation	4.3	0.3	4.8		3.9			11.4	12.9	12.6				50.0
Employment Education & Skills	0.8						9.0	8.0	2.2					20.0
Commonwealth Games	25.0													25.0
<b>OTHER INVESTMENT PROGRAMME</b>	<b>287.1</b>	<b>0.3</b>	<b>4.8</b>		<b>3.9</b>		<b>9.0</b>	<b>19.4</b>	<b>15.1</b>	<b>109.5</b>				<b>449.0</b>

Approval commitment profile based on September 2018 PMO prioritisation exercise

<b>CUMULATIVE APPROVALS</b>	<b>514.3</b>	<b>517.0</b>	<b>564.5</b>	<b>670.6</b>	<b>886.4</b>	<b>896.4</b>	<b>967.6</b>	<b>1286.1</b>	<b>1459.2</b>	<b>1685.7</b>	<b>1870.3</b>	<b>1870.3</b>	<b>2025.1</b>
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## Appendix 8

## WMCA Balance Sheet as at 30 November 2018

	30 November 2018 £'000	31 October 2018 £'000	Movement £'000
Property, plant and equipment	323,725	319,619	4,107
Investments	24,862	-	24,862
<b>Long-term assets</b>	<b>348,587</b>	<b>319,619</b>	<b>4,107</b>
Debtors	36,759	33,621	3,138
Short-term deposits	42,200	80,550	(38,350)
Cash and bank	255	356	(101)
<b>Current assets</b>	<b>79,214</b>	<b>114,527</b>	<b>(35,312)</b>
Loans - interest due	(1,574)	(1,400)	(174)
Short-term creditors/accruals	(47,297)	(50,635)	3,338
<b>Current liabilities</b>	<b>(48,871)</b>	<b>(52,035)</b>	<b>3,164</b>
<b>Net current assets</b>	<b>30,343</b>	<b>62,492</b>	<b>(32,149)</b>
Provisions	(3,810)	(6,050)	2,240
Finance lease liabilities	0	0	-
PWLB	(119,239)	(119,239)	-
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(7,873)	(7,873)	-
Grants receipts in advance	(44,988)	(48,042)	3,054
<b>Long-term liabilities</b>	<b>(185,910)</b>	<b>(191,204)</b>	<b>5,294</b>
<b>Net assets</b>	<b>193,020</b>	<b>190,906</b>	<b>(22,748)</b>
General fund balance	2,966	2,970	(4)
Earmarked reserves	121,259	121,217	42
Capital grants unapplied reserve	247	247	-
<b>Usable reserves</b>	<b>124,472</b>	<b>124,434</b>	<b>38</b>
Revaluation reserve	6,941	6,942	(1)
Deferred capital grants account	316,783	312,675	4,108
Capital financing account	(254,871)	(252,840)	(2,030)
Accumulated absences account	(305)	(305)	0
<b>Unusable reserves</b>	<b>68,548</b>	<b>66,472</b>	<b>2,076</b>
<b>Total reserves</b>	<b>193,020</b>	<b>190,906</b>	<b>2,114</b>

The WMCA Balance Sheet reflects a healthy financial position. Main changes since October reflect TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £4.1m net of depreciation in property, plant and equipment.

The increase in debtors is largely due to the insurance prepayment and VAT due from HMRC.

The decrease in short-term creditors/accruals and provisions is largely due to capital accrual for the various Metro extension schemes and HS2/UK Central amounting to £2.5m and the final settlement with Network Rail in respect of Bromsgrove station respectively.

The decrease in grants receipts in advance and short-term deposits and cash and bank are due to payments for the various Metro extension schemes and the transfer of the Collective Investment Fund portfolio from Birmingham City Council (£23m) and other CIF payments.